

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION**

**May 4, 2015**

**TO:** Honorable John Frullo, Chair, House Committee on Insurance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB332 by Schwertner (Relating to the use of maximum allowable cost lists related to pharmacy benefits.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend Insurance Code to add Subchapter H to Chapter 1369, establishing provisions related to the use of Maximum Allowable Cost (MAC) lists in the administration of pharmacy benefits for applicable health plans. The bill would also require applicable health plans to file updated provider contracts.

The Texas Department of Insurance assumes at least one filing for each Health Maintenance Organization and preferred provider benefit plan, which would result in a one-time increase in fee revenue of approximately \$11,700 to be deposited to the General Revenue-Dedicated Texas Department of Insurance Fund 36. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that TDI would adjust the assessment of the maintenance tax or other fees accordingly in the following year. It is further assumed that all duties and responsibilities necessary to implement the provisions of the bill could be accomplished within existing staff and resources.

The bill would take effect January 1, 2016.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 323 Teacher Retirement System, 327 Employees Retirement System, 454 Department of Insurance, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration

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